64-4896

8 July 1964

MEMORANDUM FOR THE DIRECTOR

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1. After reading the attached preliminary damage assessment of the report classified rearned to be in Soviet hands, I think it is time that the intelligence community have a fresh and hard look at two problem areas. 2. One of these has to do with the extent to which we provide NATO, our allies and other foreign countries with finished intelligence regardless of classification. Nevertheless, I have the impression that in bits and pieces the trend these days is for USIB to approve release of more and more info, expansion of special clearance billets, etc. 3. The second subject for study is the increasing extent to which the military services require sanitized target-type information of the kind contained in report. As the damage assessment here indicates, it is one thing to run the risk of letting the opposition know that we are aware of various installations in Bloc areas along the periphery but the opposition will not be fooled when we indicate knowledge of installations in remote interior areas -- installations that can only be located by exotic photography or SIGINT means.

4. It is, of course, not easy to ride herd on the sanitization of information essential to merican military units. It is even more difficult, because of the politics and diplomacy involved, to cut off the flow of information or to begin to become restrictive in our dealings with allied intelligence services.

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- 5. I have directed an early completion of the current task force effort in the Agency which is simed at advising you on the extent and dangers of intelligence exchanges with foreign countries.
- 6. I recommend you discuss the following in Executive Session at USIB:
 - a. that you ask Joe Carroll to report fully on this particular case, not only to you but to USIB and that you ask Joe for DIA recommendations growing out of the lessons learned in this incident;
 - b. that you urge all USIB principals to take a hard look at requests for exotic clearances, sanitisation of exotically acquired information and release of high-powered publications to foreign governments.

/s/ MSC Marshall S. Carter DDCI

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